[Mr. K. George.]

Sir, the two offices of the Income Tax Collectors of Trivandrum and Alleppey were newly started in the beginning of this year. When the proposal for their appointment was placed before the Government I did not make sufficient provision for the supply of furniture. That was because the offices were temporary and I hoped that it would be possible to obtain the necessary articles on loan. So these officers were asked to obtain the necessary articles from the P. W. D. Workshop, and they secured articles to the value of Rs. 700. Now later on it was found that the Public Works Department was not in a position to give these articles on loan and so they sent bills to me for the amounts being paid to them. And that is the reason why I have to come to the House for this sum of money which is required to enable me to pass the bills of the Workshop Superintendent. I hope the House will allow this demand.

The demand was put to vote and carried.

The grant was made.

DEMAND XXV—CO-OPERATIVE DEPARTMENT.

Mr. M. Govinda Pillai: Sir, I rise to move for a suppplementary grant not exceeding Rs. 100 for the payment of remuneration to the Inspector of Co-operative Societies who translated the Devadhar Committee Report into Malayalam. Copies of the Malayalam report are, I believe, already in your hands and I am sure you will agree with me in thinking that the translation has been done with an amount of satisfaction. The work demanded special aptitude and entailed much care and attention and I trust the House will agree with me in thinking that the Inspector of Co-operative Societies deserves at least this small remuneration.

In discussing this demand the House has been permitted to consider the report itself. The House is not unaware of the fact that the committee which was composed of five non-officials and two officials was essentially and predominently non-official in character. The recommendations contained in the Report are the results of a detailed and an elaborate investigation into the condition of Co-operative Societies throughout the State, involving as it did an examination into the growth and development of the movement during the past two decades. The recommendations of the committee are engaging the serious attention of the Government. But the Government are anxious to have the valuable opinion of this House before they arrive at any decision in respect of those recommendations.

I shall at this stage merely content myself by referring to some of the most important recommendations made by the committee. In my view Part II of the report dealing with the financial chain, is

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the most important portion of the report. Before I deal with the recommendations contained in that part of the report, I shall explain to the House the present scheme of financial organisation in the Co-operative movement. At present there are three types of financing agencies. There are societies which finance individuals alone and these are the primary societies and the urban banks. Primary societies are intended to meet the requirements of rural areas and urban societies are specially devised to meet urban requirements. Then the second type of societies deals with the financing of individuals and societies. These are Taluk Banks and the Central Co-operative Bank. Then there is the third type which deals merely with financing societies. These societies are called banking unions. The banking unions are only three in number in the State and in consideration of the work that these banking unions have been able to achieve during the past few years, the committee has come to the deliberate conclusion that no more banking unions should be registered in the State. From these three types of societies, the House will gather that individuals in Travancore are able to obtain loans not only from primary societies or urban banks but also from Taluk Banks and from the Central Co-operative Bank. Primary societies which are primarily intended to finance individuals are now handicapped by the circumstance that Taluk Banks constitute a rival and a competitor to primary societies because individuals are able to obtain loans not only from primary societies but also from Taluk Banks. Another powerful rival and competitor in the field against primary societies is the Central Co-operative Bank. The Central Co-operative Bank is financing not only Taluk Banks and primary societies but also individuals. The result is that individuals merrily go on borrowing with the inevitable further result that there is increase of indebtedness, accumulation of arrears and financial mal-adjustments or embarrassments. The competition and rivalry between the Central Co-operative Bank and the Taluk Banks and the primary societies will be appreciated by you as real and keen from the fact that while the Central Bank issues loans at a rate of interest of 8½ per cent. the primary societies and Taluk Banks issue loans at 10½ per cent. The individuals naturally seek the aid of the Central Bank and next in preference the Taluk Banks for obtaining their loans. This is a very undesirable state of affairs and members are probably aware that one individual is able to borrow from more than five societies at one and the same time. Take the case of an individual in Trivandrum. He is able to get a loan from one of the primary societies in Trivandrum, another loan from the Urban Bank, yet another from the Government Servants' Co-operative Societies, if he is a Government Servant, and still a fourth loan from one of the communal societies

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[Mr. M, Govinda Pillai.]

like the Vellala or the Brahmanajana Society and also at the same time from the Central Bank. There is absolutely no co-ordination in the activities of these different societies. Government have had several instances in which societies have been complaining about the indifference on the part of the officers of Government in recovering amounts due from Government servants. The difficulty is that the head of a department will get simultaneously requests from four or five societies to effect recoveries from the pay of one and the same subordinate. There is absolutely no check on individuals in obtaining loans from societies. The difficulty is accumulation of arrears as I have already indicated. The committee became fully aware of the dangers and difficulties of the situation and they have therefore recommended that, hereafter primary societies alone should finance individuals. The primary societies should be financed in turn by the Taluk Banks and the Taluk Banks in turn should be financed by the Central Bank. This is the financial chain which the Devadhar Committee Report has strongly recommended. Unless such a financial chain is forged we cannot avoid the present contingency of serious financial embarrassment. When the Co-operative movement has in contemplation to help individuals to give them an economic competence, the present condition of things only helps to drive them still more into indebtedness.

Mr. K. P. Nilakanta Pillai: Without interrupting the learned Registrar, may I ask one question? Because of the current system is it the opinion of the Registrar that the primary societies are not in a position to advance sufficient amount or that there is no demand for loans from primary societies?

Mr. M. Govinda Pillai: Sir, demands from primary societies for loans from Taluk Banks or Central Bank can arise only if there is a real and persistent demand from individuals. Individuals do not care to become members of primary societies because their demands are easily met by the Taluk Banks or the Central Bank. A gentleman from Parur, instead of joining the primary society in his own locality, prefers to become a member of the Taluk Bank and prefers still more to become a member of the Central Co-operative Bank in Trivandrum because he can obtain a greater amount of loan from the Central Bank or all through the whole chain because there is no check to the extent to which he can borrow from these societies. For individuals there has been fixed a maximum borrowing power but the societies do not exercise any check in regard to the extent of indebtedness by a process of active co-ordination.

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Mr. S. Piraviperumal Pillai May I know from the member the difference in the rate of interest on loans given by the Taluk Bank and the Central Co-operative Bank ?

Mr. M. Govinda Pillai : The Central Co-operative Bank issues loans at 8½ per cent. while primary societies and Taluk Banks issue loans at 10½ per cent. interest. Naturally an individual prefers to obtain loans from the Central Bank. Because there is this facility to obtain loans from the Taluk Banks or the Central Bank, the primary societies are seriously affected and prejudiced. They have not got the ability to achieve any progress either by more membership or by increasing in their working capital.

Mr. V. S. Arumukham Pillai (*Tovala* cum *Agastisvaram*) : May I know whether there is not a separate column in the loan applications requiring the applicants to state whether they are members of any other society and whether they have taken loans from those societies ?

Mr. M. Govinda Pillai : Sir, my honourable friend himself will bear testimony to the fact that, in spite of a provision of such a column in the application forms for loans, the Boards of Managements do not care to investigate the matter even if the applicants fail to enter the necessary information in those columns. As a matter of fact, I have brought to the notice of ever so many primary societies and Taluk Banks and even the Central Bank the desirability of insisting on those columns being filled up in the application forms and to see that if the man is already indebted, no more loan should be issued. These are provisions, Sir, which are more honoured in the breach than in the observance.

I was saying, Sir, that the proposal of the committee is to see that the Central Bank finances only the Taluk Banks and all Banking Unions and the Taluk Bank finance only primary societies and primary societies finance only individuals.

Mr. G. Narayana Aiyar : Cannot this difficulty be removed if a maximum be fixed for distribution to a particular member in primary societies and the Central Bank allot only any amount in excess of that to the applicant ?

Mr. M. Govinda Pillai : It should be the aim of the co-operative movement that individuals are liberally financed by primary societies. If this financial chain becomes an accomplished fact, I think individuals will be able to obtain the necessary financial assistance from primary societies, because the primary societies can look up to the Taluk Bank and the Taluk Bank to the Central Co-operative Bank for sufficient and efficient finance.

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Mr. G. Narayana Aiyar: May I know from the member whether there is any limit now fixed for loans from primary societies?

Mr. M. Govinda Pillai: Certainly there are limits. The bye laws provide for such restrictions of allotments because the loan depends upon the number of shares owned by the member. Loans will represent a multiple of the shares which an individual holds.

Mr. G. Narayana Aiyar: Supposing a member wants to get a greater amount as loan, is it not advisable to allow the member to apply direct to the Central Bank when a maximum allotment is fixed for loans from primary societies?

Mr. M. Govinda Pillai: The committee has recognised the need for such contingencies and as a matter of fact there is one recommendation made by the committee in discussing this chain that individuals may in exceptional cases be financed directly from the Central Bank through the primary societies.

Mr. Komilezhathu Sankaran: May I know whether in the case of individuals who require loans it is not open to them to approach the Land Mortgage Bank?

Mr. M. Govinda Pillai: Well, Sir, we are not at the Land Mortgage Bank; but I do not however think that it will debar anybody from taking loans from the Land Mortgage Bank provided he has got unencumbered property which he can mortgage to the Bank.

Mr. Komilezhathu Sankaran: May I know whether the Devadhar Committee has made any recommendation as regards the management of the Land Mortgage Bank by the Co-operative Department?

Mr. M. Govinda Pillai: Sir, I am sure the honourable member must have read the report and must have observed that the committee has made detailed recommendations about the Land Mortgage Bank. I am coming to it presently.

Sir, I was stating that the committee was anxious to see that the financial chain was forged effectively to co-ordinate the activities of all these types of co-operative societies and thereby prevent the misuse or abuse of the present facile or so called democratic credit. In that part of the report there is another recommendation which the committee has made and which relates to the rate of interest. To obviate the present conflicting rates of interest the committee has considered the need for uniformity in the rate of interest in respect of loans issued to individuals either from the Central Bank or from the Taluk Banks or from primary societies.

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Sir, I must interpose a word before I proceed. To forge the financial chain, the committee has proposed to eliminate altogether individuals from the Central and the Taluk Banks. This is not to be effected immediately, but it should be spread over a period of years, say fifteen years in the case of the Central Bank and five years in the case of Taluk Banks. And this must be done by a process of annual elimination that is, annual "retirement" of shares.

In regard to the rate of interest, the committee has recommended that societies should issue loans at the rate of 10½ per cent. to all individuals. Until the elimination is effected and until the chain is effectively forged there should not be any competition which will militate against the interests of primary societies. The committee has also recommended the need for a gradual reduction in the rate of interest in view of the prevailing economic depression. They have recommended the rate of interest to vary from 6½ to 8 per cent. It depends upon certain circumstances and conditions. There is also another recommendation which I may bring to your notice, and, that is, with regard to the composition of the Boards of Management. There is a tendency now in all societies, from the primary to the central apex institutions, for Boards of Managements to be monopolised by certain individuals. There has been serious complaints in regard to this and to obviate this defect the committee has proposed that there should be rotation of members by retirement of members every year so as to maintain the continuity of policy and at the same time to ensure the introduction of fresh blood.

Sir, I would leave that part of the report and deal with Part III, primary societies. In that part the committee has pressed the need for caution and circumspection in the registration of societies. The committee emphasises that the registration of societies should be done only in localities where there is real need and where there is the desirable human material to guide and control the societies. Although there is at present a large number of societies in Travancore comparatively far larger than in some other Indian States or even in the Madras Presidency, it has to be stated to our regret that all these societies are not what they should be. It was mainly due to their hasty registration. There has been lack of necessary and desirable human material, lack of sufficient propaganda and education before these societies were registered. Hereafter, the registration of societies will only be effected after necessary propaganda and sufficient education in co-operative principles amongst the members. Unless the department is satisfied that the members who apply for the registration of

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[Mr. M. Govinda Pillai.]

societies are sufficiently educated in the principles of co-operation' societies would not be registered. Another recommendation which the committee has made is that no more communal societies should be registered. The committee has set its face against the registration of communal societies. Already we have got 700 and odd communal societies in the State. The committee thinks it undesirable to register any more such societies. At present there are primary societies whose membership goes beyond a thousand. The fundamental defect in the management of such societies is due to the lack of mutual knowledge among members. As a matter of fact mutuality is an essential prerequisite for the efficient management of primary societies. The committee has fixed 200 as the maximum number of members for a society. When the number exceeds 200 the society should be split up into 2 or 3 as the case may be.

In Part III of the report the committee has also described the various non-credit activities which are possible for the Co-operative Department to undertake, and has also emphasized the need for the organisation of societies for such non-credit purposes.

Part IV deals with the long term finance, that is, the Land Mortgage Bank in particular. The committee does not consider that the existing Land Mortgage Bank is able to meet the real requirements of the State. The committee suggests the need for registering primary land mortgage banks throughout the State. and when 10 or 12 such societies are organised, the committee has stated that the present Land Mortgage Bank should be converted to a central one on the model of the Madrass Central Land Mortgage Bank. In the organisation of primary land mortgage banks the committee has also suggested that long term co-operative loans now pending should be tansferred to the new primary societies. The honourable members may be aware that at present the co-operative societies do not adhere to the distinction between the short medium and long term loans. As a matter of fact, the primary societies issue loans on a long term basis. The committee has also recommended that the primary societies should deal with only short term or medium term loans The short term loans are those re-payable in one or two years and the medium term loans repayable within six years; and all loans extending beyond the term of six years should be considered as long term loans.

In Part V of the report the committee deals with non-official participation, that is, the present Supervising Unions and the Co-operative Institute. The main recommendation on this subject is that more substantial financial assistance should be rendered by

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Government to these bodies so that they may be able to function both efficiently and usefully.

Part VI deals with the necessity for the reorganisation of the department and detailed proposals have been made in connection with that.

Sir, the committee has made 295 specific recommendations and they have also, in compliance with the direction from Government submitted a draft Bill. The committee had very great diffidence in the preparation of the draft Bill, but they were sure that it will be subjected to the scrutiny of the law officers of Government and that the Bill will be then introduced into the two Houses of the Legislature for their serious consideration. The committe was also aware of the fact that the Legislature is the competent body to delete provisions objectionable or obnoxious and retain such as are necessary for the progressive development of the movement. As soon as the Government decided that the report should be placed before the two Houses of the Legislature for discussion, conferences were held in several parts of the State from Alwaye to Nagercoil and resolutions were passed in those conferences supporting the recommendations But, Sir, there was one resolution passed by one of these conferences recently to the effect that the report reveals an attempt on the part of the committee to place the movement in the unquestioned and unchallenged control of a single officer which is calculated to strike at the root of the movement which, in essence, is a democratic one. Sir, there are 295 recommendations and not one of them aims at such an objective. Probably the resolution is based on the provisions of the draft Bill. And these 295 recommendations are all entirely independent of the provisions of the draft Bill. Sir, I would consider this resolution as unfortunate and it is a reflection not only on the distinguished President, who is not only a great social worker and who has been an earnest and enthusiastic practical co-operator for over a period of 30 years, but also on the non-official members of the committee who devoted so much of their time and attention to formulate proposals calculated to strengthen and stabilise the great co-operative movement.

Mr. K. Madhavan Pillai: Was there not difference of opinion between the members in formulating these recommendations ? Was Mr. Devadhar intolerant of difference of opinion ?

Mr. M. Govinda Pillai: Sir, I only want to know whether any of the recommendations is capable of so much misinterpretation. A perusal of those recommendations will show that not one of them was framed with the object of officialising the movement.

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Mr. P. Padmanabhan Tampi: Sir, so far as those resolutions are not before us, can the discussion be made on those resolutions ?

President: He is referring to those resolutions on the presumption that the honourable members might have read them.

Mr. K. P. Nilakanta Pillai: Which is the body that has adopted that resolution ?

Mr. M. Govinda Pillai: Sir, it was adopted at one of the conferences held in Trivandrum.

In conclusion, I would request the House to consider sympathetically the small demand that I have made for the payment of remuneration to the Co-operative Inspector.

Mr. K. Madhavan Pillai: Sir, I oppose the demand although the translator or his fees have nothing to do with the subject over which the discussion you have permitted will naturally range. Ordinarily, this House is slow to interfere with money grants made by the other House, but, unfortunately, in the present instance, this modest demand for a hundred rupees comes to us carrying at its back a frightening load of controversial matter gravely affecting the life and destiny of the great movement of co-operation in this country. This House is therefore under the obligation to examine the proposals of the committee very carefully and to put forth its best efforts to see that nothing is done which will tend even remotely to alter the voluntary basis and democratic character of the movement. The orders of Government on this report will show that they are keeping an open mind. It is up to us to convince the Government of the danger of officialising the movement and placing it under a dictator. It will also be in the fitness of things if Government benches will assign to themselves the role of Judges and listen to arguments advanced from the non-official benches and remain neutral and thus remove the notion that the report is already the adopted progeny of Government.

I have great respect for those gentlemen who constituted this committee and some of them are my valued friends. This committee has found, as others before it have found, that the co-operative movement in this country is in a bad way. The committee has made strenuous efforts to discover the causes of this condition of the movement and has made discovery of them. They have also proposed remedies for their removal. Before I proceed, I desire to lay emphasis on the fact that the committee's object is not plain when it is anxious to make it widely known that, in composition, this body was predominantly non-official. This aggravates the pain and disappointment that a committee, so predominantly non-official

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should have arrived at the decision that non-official agency is unfit to carry on this public movement unless it agrees to receive into its veins streams of official blue blood. The committee has forgotten that in this operation there is the ever present danger of choking the heart. Proceeding on this erroneous assumption, its recommendations have lacked originality, reason and suitableness, and in its blind worship of saturated officialdom, it has ignored the fundamental principles on which the essentially voluntary character of the movement of co-operation rests. If I said that the Police forces in Travancore should be de-officialised, there might be a few people who may be inclined to examine its feasibility. If, on the other hand, I said that the local Union Club should be officialised and a dictator put at its head, even my friends on this side of the House will be inclined to doubt if I have parted with my sanity Union Club is a voluntary association of people for purposes of recreation and amusement, and a co-operative society is almost similarly a voluntary association of people for purposes of self-help and mutual advancement, economically and morally. I shall not stop to discuss remedies before I have examined the causes and the following are the causes, as the committee have found them.

Coming now to the causes, as the committee found them, the first and foremost is the frantic and maddening speed at which societies have been allowed to multiply. The committee lay deserved emphasis on the fact that, in Germany, where the movement first originated, it was possible to organise only three societies during 19 years that followed the organisation of the first society. In Travancore, within a period of 18 years, 1391 Agricultural Credit Societies were formed, and now the number has reached 1786. It was only 25 years after the first society was organised that the movement became widely known in the land of its founder. The report laments over the fact that the case has been sadly different in Travancore. In this country, the quest for administrative fame blindly embraced quantity and rejected quality. The committee has quoted, Sir, Nicholsons's advice *viz.*, find Raifferson, organise a society, and leave him in charge of it. There was no patience to find Raifferson ; and it is not surprising that the societies have not produced the material and moral results expected of them. The report draws pointed attention to the fact that the Regulation imposes upon the Registrar the duty of satisfying himself, before registering a society that it is organised not only according to co-operative principles but on sound business line. The committee makes the mild remark that this has not been attended to in the past. The Registrar has been found breaking the law relating to co-operation.

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[Mr. K. Madavan Pillai.]

Another cause discovered by the committee is this. The committee say "We have been informed that though there have been many cases of misappropriation no steps have been taken to book the culprit." The committee add that the result of such inaction on the part of the department must be thoroughly demoralizing and very detrimental to the efficiency of the movement as a whole. There must be no hesitation, the committee say, to make them realise the enormity of their wrong doing The committee have found the Registrar guilty of a gross dereliction of duty in that he sat in his chair wilfully closing his eyes to the swindling of the poor-man's money by unscrupulous people.

Another cause is the result of the growth of dormant societies This the Committee says, is a menace to the health of the other societies, but nothing was done either to rouse them to activity or to remove the possibilities of infection spreading to others. The committee accuse the department of apathy, indifference and negligence.

The neglect of co-operative education. The committee say that the common-places of co-operation yet remain virtually Greek to the majority. The absence of knowledge of the fundamentals of co-operation is largely responsible for many draw-backs seen in a large number of societies. This state of things is probably the main reason for the present decadent condition of things. The committee have no hesitation in stating that, between the inactivity of the institute and the apathy of Government, serious crime was committed against co-operative education. Another cause is the deplorable inadequacy of departmental audit. This is admitted by the Registrar The committee have finally arrived at the conclusion that hasty organisation, lack of education in co-operative principles and business methods, and the absence of selection in human material are the chief causes for the sterility of the movement in this State. Let us for the present, ignore the minor causes. The committee further observes that proper encouragement on the part of Government would have brought forth the best available talent and sacrifice, on the part of the people, to labour cheerfully in this field. Impliedly, there was discouragement, and hence the best talent and the best sacrifice were out of reach of the movement.

After rightly finding the Registrar and his department guilty of violating the law on the subject and of gross dereliction of duty in many ways, and after attributing the whole blame to the department for the existing condition of things, it is exceedingly strange that when the Committee came to propose remedies, they have, by

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some jugglery of thought transferred the whole blame to the societies and made the Registrar a good boy. The committee want his pay to be raised, a recommendation which even the author of the Standardisation Scheme should heartily support. Nay more. He deserves to be made infallible and be declared the all highest in the world of co-operation. The kernel of the whole body of the committee's recommendations is contained in this section. "Notwithstanding anything contained (in this Regulation) herein the Registrar shall have power to make, alter or rescind any bye-law of any society registered under this Regulation." The Registrar shall drive a coach and pair through the whole field of co-operation unchallenged.

Mr. M. K. Govinda Pillai: May I ask the member to cite a single recommendation based on that provision of law?

Mr. K. Madhavan Pillai: I have only to refer the Registrar to page 186 of the report.

Appeals against his decree can lie to no one. Most of the other recommendations are saturated with the same spirit, while several others embody ideals unsuited to local conditions just at present. Unfettered and unchallenged powers will demoralise even the Gods; and what it will most certainly do in respect of co-operation is to drive self-respect out of the movement.

In this land of journalism, there are a few newspapers which habitually offend against public decency and public taste. We have a Publicity Officer here. Would this Council ever think of authorising this officer to suspend, on his own motion and at his arbitrary discretion, the publication of any one of them? There will be conflagration in the country. There are unsocial beings amongst us who commit crime against society; and there is an experienced Superintendent of the Central Prison who declares year after year that many of them are incorrigible. Would this Council solve this problem of the criminal by authorising the Superintendent to put them to the gallows. Not long ago there was a way of solving the leper problem in China. Lepers were collected in a place and made to take their stand in deep pits dug for the occasion. The soldiers opened fire. Heaps of fire wood fell on their bodies followed by gallons of kerosine oil; and the whole thing was set fire to. And, the leper problem was solved in a minute. Are we contemplating a solution of the problem of co-operation in this manner? Behind several of the recommendations there is history. We come to a pathetic portion in the report where the committee persuade itself to plead for the revival of a practice, which existed, of some co-operative agency extending to the Registrar invitations to attend its meetings. Fancy

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[Mr. K. Madhavān Piliai.]

Sir, the position of the Registrar of the Co-operative Societies of Travancore, when he was driven to the necessity of going all the way to North India and putting on the stage a gentleman of the eminence of Mr. Devadhar to voice a small, trifling and silly personal grievance. And, invitation is not a petition which may be ordered to lie over. Invitation is conditioned upon response. Where this is lacking, desire to invite recedes. Why, Sir, the co-operative movement would have been at his feet if only the Registrar knew how to handle it. I am old enough to know the psychology of my people. Rub them in the right way, you get all the assistance, friendship, obedience, co-operation and support that you want. Rub them in the wrong way, and, sure as I stand before you, you generate resistance, unwanted and dangerous.

In another part of the report, you find a reaction against this feeling of humiliation rising to the dizzy heights of eminence declaring the Registrar to be the all highest in the world of co-operation assigning to him the role of Samhara Rudran.

Sir, my request to Government is not to take any hasty action. Do nothing which will disturb the voluntary character of the movement and the democratic principles on which it is founded. Do not convert the co-operative move ment, into a coercive department. Bring to bear on the movement long vision, large heartedness, sympathy, selflessness, and a true and genuine democratic spirit. Take away from the movement aggressive officialdom and inflated vanity. Vanity, said the late Lord Rosebury, is like a centipede, with painful ulcers in every foot. Picture to yourself the journey of a centipede in that condition across a rough and thorny field. If you have done so you have before you a picture of the movement of co-operation now in this country.

Sir, I beg of my honourable friends in the Government benches to realise the fact that where personal qualities are most essential, no amount of rule-making or rule-enforcing power will be of any avail. If you stand on the pin-points of rules you will wreck the movement. You must possess in abundance those qualities of head and heart which will draw men willingly to obey you and carry out your behests. Rules can never be a substitute for these qualities. Reorganise your departmental agency and improve its efficiency. We did not hear of any co-operative official dying of over-work. Drive the idlers out of the movement and give the movement a trial under efficient staff.

Mr. K. P. Nilakanta Pillai : Sir, I also wish to make a few observations on the Report of the Co-operative Enquiry Committee placed before this House. I am diffident as to what exactly would be the effect of the observations made by this House

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because we have our bitter experience of the course adopted by Government after inviting our remarks and recommendations on similar reports and then to do things in their own way. In Travancore I may say that when there is something wrong in the working of a particular department some hue and cry will be raised and immediately the Government would order the appointment of a committee to enquire into and report. A voluminous and costly report which even a man with ordinary patience cannot read and understand will accordingly be submitted. Then it will be shelved or kept for occasional reference. That has been the fate of the majority of reports which were got prepared through Government agency.

Regarding this report, I am speaking with great diffidence, because the Registrar of Co-operative Societies drew my pointed attention to the fact that it was prepared by one of the eminent men of the Indian Empire, a big socialist—I mean a social worker, a co-operator and so on. But I am sorry to observe that it must have been the reason why this report seems quite unacceptable to me. He is a man eminent throughout India. He has been tied down to a thousand and one engagements, while he was in Travancore, outside Travancore. Because the calls from outside were so pressing on him that he could not find time to pay sufficient attention to the task for which he has been invited to Travancore. That is apparent from the pages of his report. Sir, I may say one thing, as Dr. Madhavan Pillai has put it correctly, that there is something wrong somewhere in the working of the co-operative movement in Travancore. That is not a special feature of this department alone, because in every department there is something wrong so far as Travancore is concerned. Then I ask the question, in all humbleness, if the department is not working up to the ideals of co-operation preached by eminent co-operators, can the committee come to the only conclusion, *viz.*, the next best alternative is to officialise the department? Is the attempt to create a benevolent dictatorship in the place of the present Registrar supported by the non-official agency the only alternative possible? That, in my humble opinion, is what has been placed for the acceptance of this House by the learned Registrar in his speech. I got some information from him that his main difficulty is not because of the absence of provisions, by way of rules and bye-laws, that he is not able to administer the department efficiently, but because the non-official bodies, like the primary societies and the Taluk Unions are not strict in following them. Even in the matter of loans all the necessary information is provided for in the forms but they are not properly scrutinised and so arrears have accumulated and so on. Sir, if arrears have accumulated on account

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[Mr. K. P. Nilakanta Pillai.]

of these irreglarities it is only a grave dereliction of duty on the part of the particular Union or Committee. Instead of taking steps to rectify these and find better men to serve in non-official bodies the report would recommend the elimination of the non-official agency altogether and the creation of a dictatorship in their place. Sir, these are not weighty considerations, as they would appear to be, in support of the recommendations in the report of the committee. And in this connection, Sir, I may draw the pointed attention of the members to certain passages in the report which will convince the members that due consideration has not been paid even regarding definite statements made in the report. For example, I take para 10, page 20, dealing with a minister's difficulty.—

> "He observed we have tried a kind of democracy in this movement and we might as well try a benevolent dictatorship to a certain extent for a time and see if we cannot improve upon the things as we find them."

This passage has been relied on by the committee to put forward a definite suggestion that the co-operative movement has to be more centralised, officialised and placed under a benevolent dictatorship. But if we read the report of the speech of Mr. Khaparde it will be seen that Mr. Khaparde was not responsible for that statement, but on the other hand he was only expressing a suggestion made by someone else. And Mr. Ramdas Pantulu objected even to this expression of the suggestion and as a matter of fact in that very conference a resolution, Resolution No. 16, was adopted against the idea contained in the suggestion of the President, *i. e.*, against the officialisation of the movement. Mr. Ramdas Pantulu, I presume, is as great a man in the field of co-operation as Mr. Devadhar. I made particular reference to this passage simply to draw the pointed attention of this House to this fact that the report has been written in a haphazard way. The committee has been asked to enquire into the co-opertive movement in Travancore and to suggest ways and means to improve the same. But the central idea throughout the report is, as if we are lead by the nose, to upset the existing democratic body and to create an autocratic body instead. That is not to be approved of by this House. That is my first point, Sir.

Secondly, with many of the recommendations which will ensure efficient and flawless working of the primary societies as well as Taluk Unions and the Central Bank, I am quite in agreement. But I am against those recommendations calculated to remove the democratic character of the co-operative movement. And these, I believe, will not at all be profitable to the co-operative movement in Travancore. Sir, after all it is a voluntary movement and nobody can be compelled to become a co-operator. Sir, whether we are

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taken as a co-operator or not – I am not a great co-operator—we have learned that a co-operator ought to be a friend, guide and philosopher. The whole co-operative movement even in the place of its origin is based on this. If this has to be accepted the present proposals in this report are quite against the above maxim on which the very movement is founded.

Sir, if I am permitted to ventilate a small grievance, here is a report prepared by an eminent man. It is printed and circulated among us and our opinion is invited on the report as a whole. But believe me, Sir, I had no peace of mind for the last two or three weeks on account of the canvassing by interested persons for and against the report. We will not even be allowed the liberty to say what we think on the report. That is typical of the mentality of the people who run this movement in our State. As Dr. Madhavan Pillai put it the movement has not been properly controlled in the beginning. When the two wards in the General Hospital have been separated, one put under a surgeon and the other under a physician, both appear to have entered into a race to show who has treated the larger number of patients without regard to the quality of the work turned out. In the same way, in the initial stages of the movement, the department went on, like a madcap registering all sorts of societies formed whether they were good, bad or useless. They did not understand what co-operation is, for what purpose these societies were organised, what are the functions of the primary societies, etc. These were forgotten and societies were accumulated. And as a result now we are faced with this difficulty. Sir, many of the loans issued by primary societies upon which the Registrar has so much trust have not been used either by the agriculturists or by the community for useful purposes. They have been issued to men in official position for the celebration of their daughters' marriages and so on. That was the spirit in which co-operative societies were registered, organised and worked. After all when the time came to take stock of things there is nothing but bewilderment in the management of societies, accumulation of arrears resulting in financial embarrassments. Therefore who is responsible for such a state of affairs? It ought to have been controlled from the very beginning in the proper way. If it has been worked in proper lines this difficulty would not have arisen. This is a matter which we have to consider from several aspects, but we must not forget the fact that it is a movement which invited voluntary co-operation. Nobody can compel any one to become a member of a primary society or of the Central Bank. If that is the spirit in which this department is to be worked the present report is not acceptable. My humble submission is that the report may be kept some where.

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President: In the Record room?

Mr. K. P. Nilakanta Pillai: Yes, Sir, It may be made use of as an authoritative statement on the subject when the demand comes for a reference.

The House adjourned for lunch at 1-1 P. M. and re-assembled at 2 P. M., with Mr. K. Madhavan Pillai, one of the panel of Chairmen, in the Chair.

Mr. V. S. Arumukham Pillai: Sir, I oppose the motion. In doing so, I would express my regret that neither the learned authors of the report nor the learned Registrar had ever in their hearts the existence of nearly 8 lakhs of Tamil-speaking people in the State. In spite of resolutions passed by various unions and Taluk Banks in Tamil areas the learned Registrar could not recommend a Tamil translation of the Report.

Before entering upon a discussion of the various recommendations contained in the report, I take this opportunity to congratulate Government for the great interest and enthusiasm evinced by them in the field of co-operation. Co-operation, Sir, is pregnant with vast possibilities for the improvement of the conditions and of the earning capacity of the agriculturists and of the working classes who are now living in a State of chronic indebtedness having given up all hopes of economic independence. Owing to a variety of causes and circumstances, chiefly the economic depression and the unco-operative official domination and interference, the movement in this land of ours has received a great set-back. Like the crops in the paddy fields of Nanjanad, the movement is dying. I would like to draw the attention of Government to the fact that, unless properly nourished, the movement will easily die out. By proper nourishment one could have easily solved the problem of rural indebtedness and rural reconstruction which are at present confronting the whole country. I, therefore, take this opportunity to appeal to the Government to bestow greater attention to this movement and to do all that is possible by way of contribution of funds to encourage its growth in the land. With this humble appeal, I proceed to a discussion of the report.

Speaking generally of the report, I have to submit at the outset that the report falls short of my expectations in most important respects. I thought that this committee instead of undertaking a general survey and a general enquiry, as other committees have done, would have concentrated its attention upon some specific issues and dealt with them in elaborate details. It was my expectation that this committee would study minutely local conditions and local needs in various parts of the State, suggest

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solutions, and chalk out detailed plans for meeting those needs. I shall illustrate these by an example. Take Nanjanad. The condition of Nanjanad at present is deplorable. Nanjanad at present needs societies for marketing its produce. How to fetch the highest price for its produce, how to reduce the cost of cultivation, and how to increase the agricultural income, these are the problems that confront the agriculturists there. For solving these problems the committee ought to have suggested the organisation of societies for marketing produce, for consolidation of holdings, and for the purchase of costly implements. This is what I expected of the committee, consisting, as it does, of eminent persons like Mr. Devadhar. Instead of this, what we have in the report is a recitation of the woeful tale of the rise and fall of societies, and the history of the growth and failure of various societies and institutions. We get an indication of the nature of the whole report in Chapter 3. The object of the various provisions is sufficiently indicated there. We see from that that the main trend of the whole report is to officialise the movement and invest the Registrar with absolute and uncontrolled powers. Otherwise the report does not contain anything else. Stripped of these and stripped of the arguments and quotations in support of these, the report, is only a historical survey of the existing institutions. With these general observations, I proceed to a discussion of the various recommendations contained in the report.

The first recommendation deals with the constitution of the Central and the Taluk Banks. The committee recommend that individual members should be eliminated from these banks. If the recommendation is given effect to, we will have in the Central Bank only representatives of Taluk Banks and in the Taluk Banks only representatives of primary societies. According to their recommendation, the Central Bank is to finance Taluk Banks, and the Taluk Banks are to finance the primary societies. If this is accepted, I ask why not abolish Supervising Unions. When individual members go away from the Taluk Bank, what is the function of the Taluk Bank? It has no other function except to supervise and inspect primary societies. It must not be understood that I am for abolishing these unions. I am only saying that if the recommendation of the committee is accepted, then it follows that these Supervising Unions are unnecessary and ought to be abolished. But I am not for the elimination of individual members. I oppose that recommendation with all the strength I can command. Co-operation is a democratic principle and the co-operative movement is a democratic movement. As Lord Rosebury said, it is a State within a State. The entire success

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of the movement depends upon the hearty co-operation of all national workers. Only if eminent persons work with enthusiasm and missionary zeal, the movement can succeed. The elimination of individual members means the elimination of the best and capable persons. So that recommendation strikes at the root of co-operation. As the recommendation stands, a person has to be the member of a primary society, and then representing that society he has to enter that Taluk Bank, and then representing that Taluk Bank he has to enter the Central Bank. No person of status would undergo all these processes before he becomes a member of the Central Bank. And the chances for him are also very little. So, the elimination of individual members means the elimination of real workers. That is fatal to the movement.

Another point I wish to emphasise is that in the directorate or the managing board of the Taluk Bank we will have debtor societies. Their assets and liabilities in the bank are after all impersonal. If there is any loss in the working of the bank it is the individual members that are put to great loss and not the representatives of debtor societies. Therefore, first and foremost, there ought to be individual members both in the Taluk Banks and in the Central Bank. Again the interest of the depositors ought to be safeguarded. They stand to lose much more heavily than the shareholders. Therefore, they should also be given a place in the management. My recommendation is that 40 per cent. of the managing board should consist of representatives of individual shareholders, 10 per cent. of depositors, 30 per cent. of agricultural societies and 20 per cent. of non-agricultural societies.

The next point I wish to refer to is about official control and supervision. The committee's recommendation for official control and supervision makes melancholy reading. There are certain recommendations which go to invest the Registrar with absolute and uncontrolled powers. I shall, for instance, mention some. First as to the provision regarding bye-laws. Though this has been referred to in this House already, I cannot but speak a few words on this subject. According to the recommendation of the committee, the Registrar should be given absolute powers to make, alter or amend any bye-law. That is a very dangerous provision. It is the members who contribute towards the shares and invest their money. They have got greater interest in the growth and success of a society than the Registrar. If the general body passes any bye-laws for a particular institution it is unreasonable on the part of the Registrar to stand in the way of that society making it a law.

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The next point I wish to dwell upon is with regard to distribution of profits where the sanction of the Registrar is made compulsory. This is on the ground that the distribution of profits should not be made from the capital. I fully realise the force of that restriction. The Registrar is afraid that the society will distribute the profits from the capital. That is a sound principle and I have no objection in restraining the society from distributing profits out of its capital. But even in cases where profits could be distributed without touching upon the capital why should the Registrar's sanction be made compulsory, I cannot understand. I submit that this provision has been made with the underlying motive of exercising greater control over the societies.

Similarly in regard to provisions for supersession and cancellation. They are very dangerous provisions in the hands of a single individual like the Registrar of Co-operative Societies. My recommendation is that the Registrar ought to be helped by an Advisory Committee composed of a representative of the Central Bank and of every Taluk Bank. Whatever is done by the Registrar under the powers vested in him, has to be done by the committee, or whatever power is vested in him must be exercised in consultation with this Advisory Committee. That alone will be conducive to a healthy and free growth of the co-operative movement.

Mr. M. Govinda Pillai : May I remind the member that there is a specific recommendation in the report of the committee that an Advisory Board should be appointed to help and advise the Registrar ?

Mr. V. S. Arumukahani Pillai : I am aware of that provision. But the Advisory Board recommended by them is not the Board I have in my mind. I do not approve of their recommendation. My object is that the Registrar must not be given any power to do anything of his own accord. The department must be concerned with the work of auditing and whatever power is vested in the Registrar must be exercised in consultation with the committee. Though there is a provision for appointing a committee in the report, to my mind it is not a committee which can be accepted. That is the reason why I suggest a committee composed of a representative of the Central Bank as well as a representative of every Taluk Bank for acceptance in future.

Mr. Komilezhathu Sankaran : May I know the nature of the constitution of the committee which the member has in mind ?

Mr. V. S. Arumukham Pillai : I propose a committee including the Registrar and a representative from the Central Bank

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and one representative from every Taluk Bank. That representation may be made either by election or by nomination as they please.

Mr. Komilezhathu Sankaran: May I know the minimum number of members that should be in the Advisory Board?

Mr. V. S. Arumukham Pillai: As many as there are Taluk Banks and Central Banks.

Mr. Komilezhathu Sankaran: Are the members to do the executive work of the department?

Mr. V. S. Arumukham Pillai: I have already said that the work of audit alone must be done by the department and the passing of circulars, proceedings, etc., must be placed before the Advisory Board for their approval and they should be issued only with their approval.

Mr. M. N. Paramesvaran Pillai (*Municipal Councils*): Sir, our thanks are due to Government for this kind opportunity they have afforded us to discuss the report of the Co-operative Enquiry Committee. On going through the report I find that, except in one or two minor details on which one of the honourable members of the committee has dissented from the rest, it is practically a unanimous report. That honourable member, no doubt, contented for the continuance of the present system of plurality of votes for the Society-members of the Central Bank till 50 per cent. of the individual members are eliminated and also for giving the newly proposed paid Secretary of that bank a seat on the Executive Committee with power to vote. But these contentions did not find favour with the views of the other members who opposed the same as being antagonistic to the true principles and spirit of co-operation. In all other matters there is perfect unanimity among the members.

The report is really a comprehensive treatise on co-operation, bringing within its compass up-to-date information on the movement not only in Travancore but also in the rest of India. It contains a comparative study of the problems referred to the committee, authoritative opinion of eminent co-operators, and valuable suggestions and weighty solutions for the improvement and better working of the societies, based on the experience in the neighbouring States and British Indian Provinces. The committee has even travelled beyond the rigid terms of reference by discussing the economic position of some types of agriculture and of industries in the State. The report also contains a number of interesting appendices, for instance, the letters to the President from Sir Prabhasankar

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Pattani of Bhavnagar, Mr. F. L. Brayne of the Punjab and Lt. Col. E. Noel of North West Frontier Province on schemes of debt redemption, a topic on which the committee has bestowed some attention and made its own recommendations. The success of the committee was due mainly to the fact that it was presided over by no less a person than Mr. G. K. Devadhar, who is acknowledged to be an authority on co-operation and is accepted as an accredited non-official social worker of all-India fame. This committee had also the exceptional privilege of having as its members some distinguished practical men who have been closely and intimately connected with the co-operative movement in Travancore from almost its very inception. The report, therefore, contains some valuable and weightly recommendations which deserve the serious consideration of every true co-operator.

The co-operative movement is mainly a people's movement. It was first started in our State some twenty years ago. When the committee commenced its enquiry there were nearly 18,008 societies with a membership of 2,30,000. This shows that the movement has attracted within its fold a good percentage of the total population. But just as in several other parts of India, all has not been well with the movement in Travancore. In spite of the efforts of co-operators and the department, the movement so far has not gained any sufficient progress along sound lines. The stock-taking of the twenty years' work unmistakably indicates that the movement had only an arrested growth in our country and that there has been deterioration in respect of several types of societies. We find that even from the very start, the movement has been showing out signs of ill-health and disease. It disclosed from the very beginning a distinct tendency to form exclusive and communal societies and even to-day the statistics show that this tendency has not shown any decline. Further, we also notice that there has been a hasty multiplication of societies without any attempt at organisation and consolidation. There is, therefore, much truth in the observation of the committee that the present unsatisfactory working of most of these societies has mainly to be attributed to this hasty multiplication, unaccompanied by regular propaganda and systematic education. Several societies do not function properly. They continue to be in a dormant stage without any activity and it only remains for the department to initiate proceedings for winding them up.

Another serious defect in the present system is the preponderance of credit institutions of comparatively high membership and low working capital. Enquiries into the working of the various co-operative societies have now revealed that most of the managing

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committees do not realise their responsibilities. This accounts for the heavy and increasing arrears and the numerous *binami* transactions. Sometimes we also find that owing to ignorance or wilful negligence of the committees several loans have been allowed to be time barred. Everywhere we see only mismanagement, misappropriation and wilful evasion of duty. I know of several instances where audit of accounts of the societies is rendered impossible by the deliberate conduct of the members of their managing committees. Paragraphs 66 to 68 of the Administration Report of the department for 1108 and also pages 45 and 46 of the Report for 1109 show that cases of misappropriation and defalcations are on the increase.

As a matter of fact, during all these years the societies were having their own way without any efficient control and supervision. Instead of developing on sound lines, some of these societies have succumbed to the greed, pomp and power of local leaders. Some of these societies exist merely as a medium for some persons to swindle public money and the department which has allowed the registration of such institutions is no doubt guilty of having indirectly helped them to prey upon the innocent and suspecting country-folk, who would otherwise have had very little chance to fall into their clutches. Sir, there is great need for true leadership. No co-operative society can be expected to function satisfactorily and successfully without truly public spirited, capable and enthusiastic leaders to guide it and work it. In this connection I wish to draw the attention of this House to the speech delivered by the Hon. Mr. P. T. Rajan in the Madras Legislative Council on the 25th February 1935, in the course of the general discussion of the budget for 1935-36. This is what he says :—

> "There is one other point to which I should like to refer briefly and that is the position of the Co-operative Department. Stress was laid on the lack of non-credit activities of the movement. It is true, even on the credit side of the movement, the whole difficulty seems to be that proper men do not come forward to work these societies. As a matter of fact, most of the Central Banks have asked Government to lend the services of their departmental officers. And in such of the non-credit activities as have been started with the help of the Government, so long as Government officers were doing the work, they functioned properly and the moment Government control was withdrawn, those societies ceased to function. So, it will be seen that it is the difficulty of want of men that stands in the way of the movement being put to greater use than anything else."

Sir, external pressure or the "benevolent dictatorship" of the Registrar has also been felt necessary to make these societies more

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efficient and really useful institutions to the public. A question may seriously be put whether it is after all a sound policy to thus officialise a movement which is essentially democratic.

But the history of our co-operative institutions and the peculiar communal atmosphere under which very many of them now function make one a disbeliever in the so-called democracy. I fully know that one who cries a halt to democracy in these days will be put down either as a fanatic or a lunatic. Whatever that be, I sincerely believe that there is no further use in trying the present kind of democracy in the co-operative movement. I am sure every one who has the best interest of the movement in his heart, no matter whether he is a non-official or an official, will certainly welcome a "benevolent dictator" for some time to improve the present condition of affairs which is extremely miserable and highly discouraging. I have, therefore, no hesitation in recommending for the acceptance of Government the various disciplinary measures recommended by the committee in the draft Bill and the rules. But while recommending these measures for the acceptance of Government, I should not be taken to be advocating the conferment of any unlimited or unquestionable powers on the Registrar. Sufficient safeguards may be devised to prevent miscarriage of justice and also to check the Registrar from exercising any of these powers arbitrarily to the detriment of any society.

The recommendations and suggestions of the committee reveal a thorough grasp of the situation. They are eminently practical and calculated to secure efficiency and usefulness. It is not possible for me, within the short time at my disposal, to refer to the numerous recommendations, altogether 295 in number, but I shall hurriedly refer to a few of them which are prominent and which require immediate attention and consideration. Among the much needed and acceptable reforms recommended by the committee are the conversion of the Central Bank into a real Apex Bank for the State, the transfer of all long term loans from the primary societies and Taluk Banks to the Land Mortgage Bank, the extension of the probationary period for registration, the cash credit system, the extension of sales to non-members in the store societies with a view to pursuade them to become members, the revival of the Travancore Central Produce Society with financial aid and the loan of necessary officers by the Government for the purpose of promoting co-operative marketing of cocoanut products, like copra and coir, the starting of rural reconstructive societies, the creation of separate financial agency to deal with depressed class societies, the grant of agricultural loans by the State through the Central Bank, the compulsory study of co-operation in the High Schools, the starting of

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milk societies and the improvement of cattle and the supply of free stud bulls to societies. But to certain matters contained in the report, I cannot lend my support. The committee's proposals for the reduction of the rate of interest and for a federation of societies do not appear to me to be acceptable. The system of federation proposed by the committee has proved a failure in the Madras Presidency. As regards interest, instead of a reduction in the 10 per cent. interest and 5 per cent. penalty, a 12 per cent. interest with a 3 per cent. rebate would work satisfactorily, for in the latter case there is always the inducement not to fall into arrears. We are also greatly disappointed at the Chapter on marketing which is rather very thin and meagre. Even on the subject of debt redemption there is not much discussion of the state of affairs in Travancore. In the circumstance, the committee's recommendation that the debts might be scaled down to the extent of 60 or 65 per cent., so definitely as that, is not at all convincing. Government should not be swayed away by this recommendation of the committee which, I fear, is a hasty and ill-considered one. Then again, I have to remark that the recommendations of the committee that the Central Bank should conduct a detailed examination of loans in primary societies and that the Co-operative Department should make an extensive survey of economic conditions of cultivators are likely to be only pious hopes in view of the difficulties of the task. Sir, one cannot also agree with the recommendation in the report for starting co-operative training classes by the department. Expert opinion elsewhere is that co-operative education should be entrusted to non-official agencies like the Co-operative Institutes. Some of these proposals need further scrutiny by Government, but that should not delay the immediate carrying out of the other wholesome provisions.

The financial recommendations of the committee are highly moderate and thoroughly reasonable. At present the expenditure on the department is Rs. 63,000 The committee wants to treble this and raise it to Rs. 1,89,000. If Government are not prepared to allot more money for this department, I do not know why they have taken all this trouble. If the department is not supplied with sufficient funds, it means that we leave to neglect and starvation some of the activities under the department. In Mysore the Government spends Rs. 0-14-9 per member of the society. There are British Indian Provinces where more than one rupee is spent by the Government on this department. For instance, the Punjab Government spends Rs. 1-6-0; the Madras Government spends Rs. 1-1-7 and even the neighbouring State of Cochin spends

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Rs. 0-12-5. But in Travancore the expenditure is only Rs. 0-4-4 per member. I trust Government will not stint any money for making this department more useful to the public.

OATH OF OFFICE.

The following member took the oath and then signed the Rolls :

Mr. R. Pitchu Aiyangar (*Ag. Commissioner Police.*)

Mr. P. Padmanabhan Tampi : Sir, I rise to a point of order. This is not the time for taking oath. In the agenda it is not seen. It is irregular.

Chairman : It has been permitted by the President.

Mr. M. Govindan : Sir, I was just standing up for asking a question when Mr. Padmanabhan Tampi spoke. If the Chair would permit I want to put a question to him.

Chairman : He is not in possession of the House.

Mr. N. Ramakrishna Pillai : Sir, I regret I have to oppose the motion. I thank the Government for the opportunity afforded by this motion to discuss the report of the Devadhar Committee. The main proposals of the committee, I consider, are re-actionary in character and unsupportable in principle and therefore not at all worthy of acceptance.

No doubt the committee has the advantage of the prestige of its President, Mr. Devadhar, who has of course seen many things and travelled far and wide. From May 1933 to October 1933 the committee is said to have been engaged in the collection of evidence in the mofussil when Mr. Devadhar was elsewhere, and from December 1933 to May 1934 in Trivandrum and that in all 658 witnesses are said to have been examined. The President also visited most of the important centres in the State and examined in detail the working of as many as 100 typical societies including the Central Bank. In spite of this large accumulation of evidence it is not possible to find any specific reference to this anywhere in the report. The report can claim the unusual merit of a unanimous report. In bulk and in the number of recommendations no other report in recent years can compare with it. It adheres so much to the precedents in Bombay and Madras that practically there is not much in it which has not already been reported elsewhere.

From the stringent measures recommended for adoption one would have supposed that the disease which has affected co-operation in this State must particularly be of a virulent type. The report nevertheless does not disclose any thing else than the usual defects characteristic of co-operative institutions in their infancy in a country

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